



CITY OF NORTHAMPTON

Acting Mayor David Narkewicz

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Northampton's Bond Rating Moves Up Two Notches

November 28, 2011

Moody's Investors Services has assigned an Aa2 rating on the City's outstanding long-term debt. This high rating is attributed to Northampton's stable tax base, strong tax collections rates, recent appropriations to the stabilization fund and the fact that free cash was not used to balance the budgets in FY2011 or FY2012.

Acting Mayor Narkewicz and the City's financial team participated in a rating call on November 16th with Moody's to provide detailed information about Northampton's financial management, economic development efforts and commitment to rebuilding reserves such as the Stabilization Fund. "During the rating call, I emphasized that despite tough economic times, Northampton residents have shown significant community support by approving a \$2 million dollar operating override for FY2010, a \$10 million dollar debt exclusion for a new Police Station in FY2011 and a reaffirmation of the Community Preservation Act (CPA) in FY2012" said Acting Mayor Narkewicz. "I am extremely happy and proud that our efforts to develop and implement sound fiscal policies combined with strong community support have been recognized by Moody's. A high bond rating is critical to obtaining favorable interest rates, particularly with the upcoming borrowing for the Police Station and other capital projects", said Acting Mayor Narkewicz.

#END#

MUNICIPAL CREDIT RATINGS

MOODY'S INVESTORS SERVICE

STANDARD & POOR'S AND FITCH

INVESTMENT GRADE

High

Aaa

Aa1

Aa2

Aa3

Upper Medium

A1

A2

A3

Medium

Baa1

Baa2

Baa3

INVESTMENT GRADE

AAA

AA+

AA

AA-

A+

A

A-

BBB+

BBB

BBB-

SPECULATIVE GRADE

Ba1

Ba2

Ba3

B1

B2

B3

Caa

Ca

C

SPECULATIVE GRADE

BB+

BB

BB-

B+

B

B-

CCC+ to D (Default)

Northampton's Ratings :

March 2007 - A1

April 2011 SP-1+ short term

Dec 2010 A+ negative outlook